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## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Senior Executive Service

STAT

FROM:

Acting Director of Personnel  
5 E 58

EXTENSION

6825

NO.

DATE

30 January 1979

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S  
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.

Executive Officer, DD/A

2.

3.

Deputy Director for  
Administration

23 MAR 1979

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After receiving a copy of Mr. Hitz' memorandum to the DCI, the substance of which I reported at last Friday's morning meeting, I asked that a paper be prepared for your information--that paper is attached.

Let me mention, however, that last Friday I was in touch with [redacted] Deputy Legislative Counsel. Lyle was profuse in his apologies for OLC sending such a paper to the Director without touching base with OP. (I urged him hereafter that any OLC matter dealing on personnel management issues should be reviewed with us.) More significantly, Lyle agrees with us that the approach on senior executive service discussed in the OLC paper is too conservative. I asked Lyle to withdraw the Hitz memo to the DCI. He later told me the memo had been withdrawn and that the DCI had not yet seen it.

I am sending the attached to you for your general information so that you can at least know what our thinking is like now. If you have any guidance to give us before we proceed with our analysis, we would happily receive it.

We are drafting a memorandum from you to the Deputy Directors with some preliminary comments

MORI/CDF

(over)

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DD/A Registry

79-293/1

MEMORANDUM FOR: Deputy Director for Administration

STAT

FROM :   
Acting Director of Personnel

SUBJECT : Senior Executive Service

REFERENCE : Memo for DCI fr OLC dtd 20 Jan 79, subj: CIA  
Adoption of Certain Civil Service Reform  
Act Provisions

1. This memo is for your information. It deals with one of two major issues discussed in the referenced memo. My comments with respect to the Classification and Compensation Act of 1979 are forwarded separately.

2. My concern is with the recommendation (para 4 of reference) to the DCI that "we not pursue the idea of adoption of Senior Executive Service principles". In my view, this recommendation clearly puts the decision before the analysis and thus is premature. The recommendation appears to stem from the fact that we had sought exemption and thus should not practice selective adoption. In my view, the basis for seeking exemption was related to considerations of administration and reporting and not to rejection outright of the principles involved.

3. I find it remarkable that the Legislative Counsel should make a major substantive recommendation without touching base with the office involved. This practice creates contention where none is needed. It also leads to inaccurate statements or implications, such as the allusion in reference to the transferability of managers from one Federal Agency to another. The Act specifically prohibits such involuntary transfers.

4. I am not taking the other extreme and recommending that we do adopt the concepts of the Senior Executive Service. I do feel that serious analysis is required, as well as inputs from Agency management, with respect to various key issues involved. The Office of Personnel

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is beginning such analysis and does hope to get managerial inputs after senior managers receive the necessary background materials concerning the concepts of the Senior Executive Service. OPM itself is still in the process of developing implementation plans, so we do not need to act precipitously.

5. The concept has major implications to Intelligence Community Management. Since the entire intelligence community has been excluded from the Senior Executive Service, which is administered by OPM, it might be possible to establish an Intelligence Executive Service, among Community lines, which would be administered by the DCI. The immediate significance of this would be evident if the DCI were given equivalent power (to OPM in the Act) to allocate IES strength within the Community. A second issue, which is being considered in another memo, is the necessary interfacing, for cover and other considerations, with the proposed Senior Foreign Service being considered by the State Department.

6. From a management perspective, there long has been complaint that there is little tie between performance and compensation. The Senior Executive Service attempts to remedy this. In so doing, it has developed features that have attracted the attention of many of our managers. Among these are: personal rank, performance awards, early retirement benefits under certain circumstances, and unlimited leave accumulation.

7. In our consideration, we are also aware of features that would not be received enthusiastically. These include: high risk of removal from the SES if performance is only minimally satisfactory or unsatisfactory. And limitations on the number of performance awards that can be conferred tend to prevent giving everyone a high performance rating. Further, the performance that is rated has two elements, personal performance and unit performance. A good manager with a poor unit might have career problems.

8. This is not intended to be an analysis leading to a recommendation. Rather, it is a proposal that the subject be given adequate study and that the necessary decisions flow from such study. I will discuss separately with you questions of timing, resources, and approach.

9. There are other topics within the Civil Service Reform package that also merit examination. The reference mentioned the Merit Pay incentive of the Reform as worthy of consideration. The Office of Personnel has also identified this as a topic for study with an eye

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to making available pay incentives for non-supervisors as well as supervisors. The time table for Merit Pay within the Civil Service calls for full implementation by 1981. Hence we have time to study this topic and to benefit from observing the initial implementation.



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